



NEWSLETTER



Fergus-Petroleum County FSA Office March 2011

Lori Knudsen, CED
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Lewistown MT 59457

Phone: 406-538-3489
Fax: 406-538-9353
www.fsa.usda.gov/mt

Hours

Monday - Friday
8:00 a.m. – 4:30 p.m.

County Committee Members:

Judy Hedman
Lance Heggem
Jess Knerr
James Johnke
Tom Montgomery

Next County Committee
Meeting:
April 13, 2011 @ 9 am

County Office Staff and
Extension Number:
Lori Knudsen, CED....108
Kim Billadeau.....110
Vickie Baumgartner...107
Michele Gilpatrick....106
Les Melichar.....105
Cheryl Tucek.....104
John Ahlgren, Field

Agricultural Lending Opportunities

Questions regarding obtaining
credit to start or enlarge a
farming or ranching operation;
financing agricultural operating
expenses; or livestock,
machinery purchases call:
Karen Boyles, SFLO.....113
Alta Pallett,109

Reasonable Accommodations:

Persons with disabilities who
require accommodations to
attend or participate in any
FSA programs should contact
the County Executive Director
at the FSA Office or the
Federal Relay Service at
1-800-877-8339.

CRP General Signup announced for March 14 to April 15, 2011

General signup for the Conservation Reserve Program (CRP) will begin on March 14, 2011, and continue through April 15, 2011. During the signup period, Montana farmers and ranchers may offer eligible land for CRP's competitive general signup at their county Farm Service Agency (FSA) office.

Through the 2008 Farm Bill, CRP is authorized for a maximum enrollment of 32 million acres. USDA estimates that contracts on 3.3 million to 6.5 million acres are scheduled to expire annually between now and 2014. Land currently not enrolled in CRP may be offered in this signup provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers. Contracts awarded under this signup are scheduled to become effective Oct. 1, 2011. In Montana, 2.9 million acres of the state's 18,721,501 cropland acres are currently actively enrolled in the CRP program. Of the state's active CRP acres; 498,661 acres are scheduled to expire on Sept. 30, 2011; 696,523 acres on Sept. 30, 2012 and 638,841 acres on Sept. 30, 2013.

As administrator of the Conservation Reserve Program, FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that assists in calculating the environmental benefits to be gained from the contract. The EBI consists of five environmental factors (wildlife, water, soil, air and enduring benefits). Cost factors are also entered into the equation.

In addition to the general sign-up, FSA's CRP Continuous Sign-up Program is ongoing. Continuous acres represent the most environmentally desirable and sensitive land. For more information, visit www.fsa.usda.gov and view *Conservation Programs*.

2009 Supplemental Revenue Assistance Payments Program (SURE) Signup Set from Jan. 10 to July 29, 2011

The 2008 Farm Bill created several new disaster programs. One of the programs, the Supplemental Revenue Assistance Payments Program (SURE), provides financial assistance for crop production and/or quality losses due to a natural disaster. SURE is a total farm revenue disaster program as opposed to the crop disaster programs of previous years, which were primarily production oriented programs. Therefore, all crops that a producer has an interest in are not only evaluated as to the production loss and quality, but revenue as well.

To be eligible for SURE a producer must have at least a 10 percent production loss on a crop of economic significance; a policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops. Producers that have a farming interest physically located in a county that was declared a primary disaster county by the Agriculture Secretary under a Secretarial Disaster Designation or a contiguous county and meet the above criteria are eligible for SURE.

In the absence of the Secretarial Disaster Designation producers may be eligible if they suffer at least a 50% production loss on the entire SURE farm due to a natural disaster.

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

PAYMENTS - SURE will issue payments to an eligible producer in the amount equal to 60% of the difference between the program guarantee and the total farm revenue. SURE will pay up to 90% of the crop's normal production on the farm. If you meet the guidelines of the program in 2009, i.e. a 10% production loss (associated with adverse weather) on one crop of economic significance and crop insurance (CAT/NAP) purchased on all 2009 crops (other than the exceptions previously explained), contact the county FSA office as soon as possible. Signup for 2009 crops begins January 10, 2011 and ends on July 29, 2011.

FSA Disaster Assistance Programs available for Livestock Producers Affected by Ice, Cold and Heavy Snowfall

Bruce Nelson, State Executive Director of USDA's Farm Service Agency in Montana, reminds livestock producers throughout Montana that FSA programs may be available to assist them. Many are dealing with harsh winter weather, which is causing serious harm to livestock and forage due to heavy snow, ice and extremely cold temperatures.

"This is turning out to be a tough winter for many ranchers and farmers in Montana and learning about our FSA programs is an important step for producers to take," Nelson said. "We need producers to document the number and kind of livestock that have died as a direct result of these winter storms and timely notify their local FSA office of these losses. There may be situations where producers are transporting feed to their livestock. Producers should document these additional costs."

FSA administers several programs that help producers recover from livestock deaths that are beyond normal mortality rates, losses of purchased and/or harvested forage, and with the additional costs of providing or transporting feed. Among the key programs are the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP). For livestock death losses to be eligible under LIP, producers must file a notice of loss with their local FSA office within 30 calendar days from when the loss is apparent to the producer.

Fact sheets for these two programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets.

Nelson also encourages producers to use Hay Net on the FSA website (www.fsa.usda.gov/haynet), an online service that allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need, such as the one caused by the current wintry conditions. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

"We encourage all who have suffered a disaster due to the recent cold weather and blizzards to read the fact sheets and visit with their local FSA county office staff so they get a quick start in the recovery process," added Nelson.

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

If you've had a setback and your lender is reluctant to extend or renew your loan, ask your lender about an FSA loan guarantee. Guaranteed loans can reach a maximum of \$1,119,000. Direct farm ownership loans or farm operating loans may be obtained from FSA for a maximum of up to \$300,000.

Producers are encouraged to apply early so that the application and loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.

*****Montana FSA Newsletter Notice *****

Non-active agriculture producers must "opt-in" to receive future newsletters

Effective March 1, 2011, the Montana Farm Service Agency has issued a new newsletter policy geared toward improving FSA newsletter delivery and efficiency to the individual farmers, ranchers and agriculture community. FSA newsletters will continue to be sent to active agriculture producers as determined by the county FSA offices. No action is needed for active producers unless your household or business is receiving duplicate newsletters in which case you should inform your local county FSA office. If you are not an "active" producer but are a landowner or are interested in receiving or continuing to receive a FSA newsletter, you must inform your local county office that you'd like to "Opt-in" and be added to the newsletter mailing list. In addition, you can choose to receive your newsletter electronically. Each newsletter not mailed saves the agency and taxpayer \$0.39. To request the electronic newsletter be emailed to you instead of receiving a newsletter through mail, please contact your county FSA office.

*******NEW OFFICE HOURS*******

Please note the Fergus-Petroleum FSA Office has new office hours: from 8:00 am to 4:30 pm, Monday through Friday.

If you have any questions regarding this new policy, please call the office.

FSA Payment Record

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your nearest FSA office for assistance in locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

NAP coverage deadlines for 2011 Crop Year

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to provide financial assistance to producers of non-insurable crops when low yields or prevented planting occurs as the result of natural disasters. Statutes limit NAP coverage to each commercial crop or agricultural commodity (except livestock), for which the catastrophic (CAT) level of insurance is not available.

The application and sales closing deadline for 2011 NAP coverage is **March 15, 2011**, for all NAP crops other than value loss and honey. The deadline for value-loss crops was Sept. 1, 2010 and Dec. 1, 2010, for honey.

Producers who choose to obtain NAP coverage for 2011 must file a CCC-471 application for coverage and pay the applicable service fee by the sales closing deadline. Eligible producers must pay a service fee of \$250 per crop per administrative county or \$750 per producer per county, not to exceed \$1875 for a producer with farming interests in multiple counties. Service fees may be waived for limited-resource producers. Contact Les @ 538-3489 ext. 15.

For the 2011 crop year it is imperative that producers purchase either NAP or a catastrophic (CAT) level of crop insurance for all insurable and non-insurable crops. This is not only for production coverage, but also for eligibility for the new permanent disaster programs created in the 2008 Farm Bill.

In order for producers to be eligible for assistance under the Supplemental Revenue Assistance (SURE) Program and the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), and the Tree Assistance Program (TAP), producers must obtain a plan of insurance for each insurable and non-insurable commodity on the farm, **excluding grazing**. To be eligible for assistance under the Livestock Forage Disaster Program (LFP), producers must obtain either coverage under the Pasture, Rangeland, and Forage Rainfall Index pilot Program offered through crop insurance, or NAP coverage, or both on their grazing.

Beginning and Limited Resource Farmers

FSA sets aside targeted funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 % of the county's average size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Actively Engaged

USDA has amended the requirements of being 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE).

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

Honey Loans

Honey loans are a type of marketing assistance loan. They are currently available until March 31, 2011. The national loan rate for honey is \$0.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible, the producer must produce honey in the United States during the calendar year for which the loan is requested, and extract the honey on or before Dec. 31 of the applicable crop year. Producers must also maintain continuous beneficial interest in the honey through date of repayment of the loan, and be responsible for the financial risk of the operation. Producers are responsible for maintaining the quality of farm-stored honey.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Fergus-Petroleum FSA Office
211 McKinley St – Ste 2
Lewistown MT 59457-2266



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Selected Interest Rates -March 2011	
Farm Operating - Direct	2.50%
Farm Ownership - Direct	4.875%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Conservation Loan	4.875%
Emergency - Actual Loss	3.750%
Farm Storage Facility - 7-year	2.875%
Farm Storage Facility - 10-year	3.500%
Farm Storage Facility - 12-year	3.875%
Commodity Loans 1996-Present	1.250%
90-Day Treasury Bill	0.125%

Upcoming Important Dates to Remember:

March 14:	CRP General Signup Begins
March 15:	NAP Sales Closing Date for All Other Crops except Value-Loss and Honey
March 31:	Final Date to Request 2010 Marketing Assistance Loans/LDPs on Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, and Sesame Seed
April 15:	CRP General Signup Ends
May 31:	Final Date to Request 2010 Marketing Assistance Loans/LDPs on Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Chickpeas, Soybeans, and Sunflower Seed
June 1:	2011 DCP & 2011 ACRE Programs Filing Deadline
July 29:	SURE Sign-up Deadline for 2009 Crop Year
Continues:	Contiguous Conservation Reserve Program

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